REMARKS

By the present amendment, claims 1 to 3 are pending in the application.

Claim 1 is the only independent claim.

Support For Claim Amendment

Support for amending claim 1 to read --consisting essentially of a substantially two-phase structure of ferrite having a grain diameter of $2 \mu m$ or more, and bainite, ...- may be found in the specification, e.g., at page 6, lines 26-27.

This amendment to claim 1 has been made to emphasize that the steel of the present invention has a microstructure that contains little or no retained austenite.

<u>§103</u>

Claims 1 to 3 were rejected under 35 U.S.C. §103(a) as being unpatentable over EP 0 974 677 to Kawano et al.

Claims 1 to 3 were rejected under 35 U.S.C. §103(a) as being unpatentable over Japan No. 11-323480 to Yoshitaka et al.

These rejections, as applied to the amended claims, are respectfully traversed.

Patentability

Attached hereto in support of the patentability of amended independent claim 1, and claims 2 and 3 dependent thereon, over EP 0 974 677 and/or Japan No. 11-323480 is a Declaration Under 37 C.F.R. §1.132 executed by Mr. Kunio Hayashi (hereinafter the "Hayashi Declaration").

In view of the attached Hayashi Declaration it is respectfully submitted that amended independent claim 1, and claims 2 and 3 dependent thereon, are patentable over EP 0 974 677 and/or Japan No. 11/323480 standing alone or in combination.

CONCLUSION

It is submitted that in view of the present amendment, the foregoing remarks and the attached Hayashi Declaration, the application is now in condition for allowance. It is therefore respectfully requested that the application, as amended, be allowed and passed for issue.

Respectfully submitted,

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By: / Thm /

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